Since March 25, 2020

Confederation of International Contractors' Associations (CICA)

Strategic Watch: COVID-19 Overview by country and region (situation at February 1st, 2021)

Based on FIEC's COVID-19 Construction Observatory, FIIC's, CIAN's and MEDEFI's and IFAWPCA's data

For more information go to the CICA Website: http://www.cica.net/cica-covid-19-overview/ and Dropbox: https://www.dropbox.com/home/Observatory%20COVID-19

International Financing Institutions: European Bank for Reconstruction and Development (EBRD)

Country/Region	General measures
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	
Overview EBRD region	The European Bank for Reconstruction and Development (EBRD) has wound back forecasts for the emerging economies where it invests, after measures to contain the impact of the coronavirus which lasted for longer than previously anticipated. The EBRD was forecasting in September 2020 an overall contraction across its economies of 3.9% in 2020, and a return to growth in 2021 of 3.6%. In comparison, the previous forecasts published in May 2020 had projected a 2020 decline of 3.5% and a stronger recovery of 4.8% in 2021. Output in the EBRD regions contracted sharply in the second quarter of 2020 by around 8.2% year on year. In many economies the contraction was larger than declines seen during the global financial crisis. The speed of recovery is expected to be similar to the one observed in the aftermath of that crisis, with pre-pandemic levels of GDP returning towards the end of 2021. EBRD economies have seen pressure on supply and demand because of domestic measures to contain the pandemic, while external shocks have included low commodity prices, shrinking exports, a collapse in tourism and drops in remittances. The Bank's latest set of forecasts are subject to a high level of uncertainty and are dependent to some extent on the accuracy of early estimates of growth in the first half of 2020. Exports from EBRD regions were down by over 14% in the first half of 2020, compared with the same period of 2019. International as well as domestic tourism fell sharply, with international tourist arrivals to the EBRD regions down by some 65% in the first six months, compared with the same period a year earlier. • **Eastern Europe and the Caucasus**: Remittances fell by 29% year on year in the second quarter of 2020, relative to the same period of 2019, similar to the decline seen during the global financial crisis. GDP in the region is expected to fall by 4.5% in 2020, recovering somewhat to 2.5% growth in 2021; • **Central Asia**: Economies are likely to contract by 3.3% on average in 2020, with the Kyrgyz Republic and Mongolia most severely affected. Assuming a partial recovery in tourism and some improvements in the external environment, the region could see growth of around 3.2% in 2021; • **Central Europe and the Baltic states**: Output is expected to drop by 4.4 % in 2020, with a recovery of 3.5% seen in 2021. That forecast assumes a gradual normalization of activity, some recovery in external demand and a boost from European Union funds;

	• **Western Balkans**: Output is projected to fall by 5.1% in 2020 due to a collapse in tourism, in Albania and Montenegro, disruptions in global supply chains and lower industrial output, declines in foreign direct investment inflows and remittances. GDP growth could recover to 3.4% in 2021; • **Russia**: GDP is expected to shrink by 4.5% in 2020 as a result of the Covid-19 crisis and a drop in oil prices. The introduction of the National Plan for Economic Recovery has helped mitigate some of the negative effects. A rebound of 3.0% is expected in 2021, conditional on some recovery in oil prices; • **Turkey**: The economy is expected to contract by 3.5% in 2020, following a fall in external demand which led to a collapse in exports. Domestic lockdowns and supply chain restrictions hurt the services and manufacturing sectors. GDP growth could pick up to 5.0% in 2021 (September 2020).
Financing	EBRD now anticipates committing all its activities in 2020/2021 to countering the economic impact of coronavirus. Such financial support should be worth €21 billion (28 January 2021). The EBRD has launched a Vital Infrastructure Support Program (23 April). The VISP initiative contains three financing tools: • The EBRD will deploy credit lines through local banks to support the continuity of infrastructure services and/or infrastructure investment programs; • Stabilization facilities for key infrastructure providers, meaning direct loans to key services providers to provide liquidity following temporary revenue losses due to Covid-19, with the aim of protecting the delivery of vital services and infrastructure; • The EBRD will provide finance to public sector clients to support vital capital expenditure that is otherwise threatened by the economic fallout of the Covid-19 crisis. The EBRD has set up a coronavirus Resilience Framework to meet the immediate short-term liquidity and working capital needs of existing clients. The Framework is a key element in the EBRD's Solidarity Package Covid-19 response and recovery program. As a first step, the EBRD unveiled a €1 billion Resilience Framework for existing clients within its initial Solidarity Package, which was approved by its shareholders on 13 March. Responding to huge demand, the EBRD plans to increase the amount available under the emergency facility. The European Bank for Reconstruction and Development (EBRD) allowed for local currency lending to continue to the countries where it invests. The Bank has been responding to an urgent need for enterprises across its regions to access local currency financing, as the cost and risk of foreign exchange borrowing has risen against a backdrop of increasing exchange rate volatility. That vulnerability has intensified since the outbreak of the Covid-19 pandemic. Within one month, the EBRD has secured agreements with three central banks in the economies where it invests to gain access to local currency that it can use for lending to local companies (21 May).

Recovery	The European Bank for Reconstruction and Development (EBRD) launched in April 2020 its "Vital Infrastructure Support programme" (VISP). Infrastructure support programmes are also seen by the EBRD as major leverage for the economic recovery (*similar approach taken by the Inter-American Development Bank*). According to the EBRD statement, infrastructure provides short-term liquidity as well as capital investment to preserve the stable provision and green agenda of essential services: electricity, water, waste management and sanitation, and public transport. Since its launch in April 2020, the VISP has provided financing for a range of municipal and national utilities, linking short-term crisis support with longer-term green objectives. Approved financing for energy utilities in Greece and Kazakhstan, for example, are directly linked to decarbonization efforts. The EBRD's programmes imply that green infrastructure investments are continuing and will be fostered despite the Covid-19 crisis. Scaling-up investments in renewable energy is a key pillar of the EBRD's strategy. In addition, the EBRD recently unveiled an ambitious plan to devote more than 50% of annual investments to the green economy by 2025. This update of the Green Economy Transition, known as GET2.1, forms part of the EBRD's overall strategy for the next five years and will become effective on condition that shareholders give approval in October (cf. OMFIF) (22 September).